



Individual Growth: The Basic Principles

No one has yet come up with definitive answers to the problem of fostering individual development. But here are ten principles that GE has found useful in practice.

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MAN," naturalist Loren Eiseley has well written, "is a solitary and peculiar development." Though in so saying, Dr. Eiseley was, of course, referring to the evolution of man in general, his words have, I think, equal relevance in the narrower context of individual growth. Each of us is a solitary and peculiar being, the product (to quote Dr. Eiseley again) of "a unique history." We grow either in obedience to the particular demands of our individual natures, or not at all.

Much of the current disillusionment in industry with systematic programs aimed at "developing" people springs, it seems to me, from the failure to recognize this fundamental law of life. Even companies sophisticated enough to be fully aware of the differences that can exist among men still persist in trying to find some common denominator for growth—a short cut, as it were, through which enough people can be steered to discount the few who must be expected to fall by the wayside. One year, it will be a "Great Books" course; the next, job rotation. So fast is succeeded by fast, each in turn to be abandoned as its hoped-for results inexplicably fail to materialize.

Now this is not to say, of course,

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that executive development, as it has commonly been practiced in industry, has uniformly failed. Many men have undoubtedly benefited to some extent from their companies' efforts to fit them for higher responsibility. But this, after all, is no more than the law of averages would lead us to expect. There is general agreement, I think, that in relation to the time and money industry has expended on developing managers, the results have been mediocre indeed. Were this not so, the dearth of managerial talent would hardly be the problem of major concern that it still is to most companies today.

Actually, I do not know of any company, my own included, that is satisfied that it has yet found the "right" answer—or answers—to the problem of fostering individual growth. And we at General Electric have been doing some hard thinking about this problem for almost a decade now. In fact, it was in the fall of 1951 that Ralph J. Cordiner, then GE's president, instituted a research project to "study the basic factors involved in the development of people and recommend a course of action for the company." The initial research was carried out by a team consisting of nine experienced GE men, three consulting psychologists, three business-school professors, and two top-level management consultants. The study was completed in 1953.

Because it was a venture into new territory, it was by no means exhaustive or definitive. But from its mass of data emerged ten generalizations that

General Electric has since found useful guides for its development program. I hasten to add that they can in no sense be considered "eternal verities," because they have not been adequately proved in use. My primary purpose in presenting them here is to encourage other companies to embark on research on this subject—about which so little is known—in order to add to the body of hard knowledge available to those in industry who must perform the critical work of helping people develop.

A Few Simple Truths

The principles are simple and even obvious. In reading them one may be inclined to say, "Of course, of course—everybody knows that." Study and observation indicate, however, that these "obvious" principles are more often violated and ignored than observed and honored.

1. *Development is an individual matter.* The uniqueness of the individual, said Albert Einstein just before he died, was one of the few things he felt sure of. And not only is every man somewhat unlike every other, but he changes with time; he is not really the same man today he was last year.

It follows that we cannot run a successful development program by means of canned, assembly-line methods. Because what is good for one man may not be good for another, no company should expect to help all its men by putting them through a rotation system, a Junior Board of Directors, or a formal training course. Not one but many development plans are

needed, each one tailored to the strengths and needs of a particular man and aimed at helping him grow in the direction that is best for him.

2. *All development is self-development.* The company naturally has an interest in each man's development, and it can and will help out, but it has no obligation, morally or otherwise, to "develop" him. Development is not something you do "to" a man. In fact, a manipulative approach is seldom successful. The motivation, the effort, the obligation, and the responsibility for development lie within the man himself.

All over the country, young men are now entering the business world proclaiming, as it were, "Here I am. Develop me." I don't blame them for having this attitude, though it is wrong both for them and for the company. I think it is the result of the high demand for, and the low supply of, qualified young men. Company recruiters, instructed to supply the home office with a certain number of new candidates, are in a difficult competitive spot and often tend to oversell the youngsters. What the newcomer ought to be told is something like this: "We'll give you a real opportunity to grow and plenty of orientation and educational activities. But please do not come in here unless you want to work hard and earn your pay and develop *yourself*. Don't come to us unless you recognize that the responsibility for your development is primarily yours."

3. *Development programs cannot be based upon any set of ideal personality traits.* In the past 20 years, many peo-

ple have been trying to do just that, but it doesn't work very well, and its implications have seldom been thought out very carefully.

Assuming, for the moment, that we could arrive at the personality characteristics of the ideal manager, would we then picture for ourselves an "ideal manager" with only these traits and no others? Would we try to grow a race of supermen who had these ideal characteristics? Before we got half started, of course, we would be heading toward forced conformity and uniformity. And even if we could somehow produce this breed to serve as the new management, might we not then suddenly realize that our company's strength had always been in the individuality of the people who composed it?

The Myth of the "Ideal" Manager

Another serious difficulty arises in working toward any sort of ideal personality pattern: What shall we do with the managers now in place? Must we insist that they conform to the pattern or be fired?

Thinking about these incumbent managers raises the most obvious question of all: How can we account for the fact that some of the good ones are tough and rugged "characters," others are quiet and thoughtful introverts, and still others are the aggressive "salesman" type? It becomes clear that there just isn't any standard pattern of personality traits that makes a good manager.

When I came from GE operations to work on our research team, I spent

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some time exploring the personality-trait approach. I asked one of the men working with me to do a little job of library research and find out what the outstanding authorities on this subject had agreed on as the necessary and the important personality characteristics of the good manager. After three weeks, he reported that though he had made a good start the end was not in sight. At the end of five weeks, I told him to bring in what he had; he turned up with between 300 and 400 "necessary" and "important" characteristics—an amazing hodgepodge of vague and contradictory generalities.

The point of all this is that personality traits cannot provide the basis for a development approach. They cannot be defined or measured, and only with the greatest difficulty and with a very high degree of unpredictability can they be changed. There are only a few really effective ways to change personality traits. One is psychoanalysis; another is religious conversion. Obviously, these methods can hardly be introduced into the company's operations.

My experience with rating sheets based upon personality traits has convinced me that they generally fail in application. Time and again men who rate low turn out to be good managers, and vice versa. All men must be taken as they are, with the traits that they have; only on that basis can they grow.

Thus, the focus of development and educational activities must be upon the work rather than the individual personality. Work can be seen—identified, analyzed, measured. And work

is basic: a company is a group of people who have banded together for one purpose—to do work in return for money and personal fulfillment.

Focusing on the Job

In the field of management particularly, there is an important check point in evaluating a man's work, because there is a single common denominator for all managerial jobs. Whether he is in charge of a research laboratory, a dress shop, or a cafeteria, the manager must get results *through the efforts of other people*. His assignment is too big for one man, so he has other people working with him to get it done.

Of course, the manager must be familiar with his department's product or service and with its specialized work. A man who manages sweepers obviously would not be able to manage a research laboratory. Unless he understood what research work is, he could not plan, organize, integrate, and measure such work.

But even though managers are not universally interchangeable, a man who manages one operation well is probably capable of managing another operation well, because he manages the work of others in a perceptive, skilled way. It may be quite a while before he knows all the aspects of the business intimately, but in the meantime he can recognize the people who *do* know and put them in positions where they will make the right decisions.

Therefore, those who are in search of managerial talent should seek not men with certain personality traits, but

men who indicate or demonstrate an ability to do this kind of work. They should direct their education and development activities toward helping men grow in this ability.

The Company Minds Its Own Business

This approach puts the company in the clear with the man in a very important way. The company really does not have any right to "get personal" with him or to invade his privacy. But it does have the right to talk to him about his work; it is paying for that. This does not mean that personality should be ignored. It may turn out in some cases that the basic problem lies in the realm of personality; but that is something which the man has to work on himself. The company tries to understand, but it does not get involved there; it stays in the realm of work—analyzing, organizing, integrating, and measuring performance and results—while using any indications of special capabilities and drives to help determine the direction his training will take.

This policy provides a logical, reasonable, and therefore relatively secure framework for action, instead of the usual grab-bag of ideas about what is important in managing, what other companies' courses and procedures have been like, and what kinds of thinking the man ought to be trained in.

4. *Day-to-day work is the chief source of development.* Exploring this subject, a group of outside interviewers talked with 300 GE managers, men who had developed to the point where

they had been given positions of managerial responsibility. The interviewers asked these men, "What do you consider the most important factor in your development? What did the company do to help or hinder your development?" These, remember, were outside interviewers; the sessions lasted two-and-a-half to three hours; and the anonymity of the managers was protected, so that they felt free to say what they pleased.

And nine-tenths of them said, "I developed the most when I was working for so-and-so in such-and-such a place." Only one-tenth attributed major importance to such factors as educational background, special courses, and rotation. By far the outstanding factors in the development of this group had been the manner in which they were managed in their daily work, the climate in which they worked, and their work relationships, particularly with their immediate superiors.

This point is supported in a negative way by another quite intensive (and expensive) piece of research. Through the use of IBM cards, the job records of 890 GE managers were examined to ascertain whether any one kind of experience had been responsible for the advancement of a significant number of them. For example, had they progressed because they had held a lot of different jobs, that is, because of rotation? The answer was *No*. In fact, these managers had held assignments in an average of only 1.1 functions since joining the company. Of the 45 elements being studied—education, functional background,

and so on—none yielded a significant correlation with job advancement.

Here was further proof that when the managers in the interview study gave only a 10 per cent weight to educational background, outside courses, and so forth, they were probably rating them about right. All these things are important, but the direct daily experience is so much *more* important that there is no doubt about where most of the attention should be directed.

5. *Opportunity for development must be universal.* Many current development programs—as indeed, were some of General Electric's own early programs—are based on the idea of selecting the "high-potential men," picking ten out of a thousand and saying, "These are the boys we will develop." So these are anointed and are given all the attention, while the other men are just "not on the development program."

There Are No Sure Winners

Studying the merits and demerits of this practice, our researchers dug out one of the "promising young men" lists of ten years ago and tracked down the 143 names on it. They found that only 37 per cent of the candidates had achieved the success predicted for them—which just goes to show how wrong these arbitrary "crown prince" theories can be.

There are historic warnings against the practice, too. Abraham Lincoln, for example, was a consistent failure in his early life: he failed in the legislature, failed in the Senate, and went through bankruptcy. He certainly

wouldn't have made anybody's "promising" list.

It follows as a basic principle that *everybody* must be given a chance, not just a small, or even a large, group. Obviously, the man of limited ability will not be offered the same opportunity as one of your up-and-coming bright young men. But each man will get the appropriate opportunity and will be allowed to earn subsequent opportunities. The bright man will earn them faster and will be afforded bigger ones than the average man. But this is a matter of degree, not of black and white. Nobody is left out. And room is provided for happy surprises—the dark horses and poor starters.

This approach is hard in the beginning, but in the end it is the best way—because it looks as if this is the way that works.

6. *The present job, rather than the promotional ladder, must be emphasized.* When the promotional ladder is accorded too much importance, people begin to devote most of their attention to the next rung, instead of to the job at hand. This means that the company's work doesn't get done—the worst possible result of a development program. Furthermore, this emphasis on promotion inevitably produces a lot of expectations that cannot be fulfilled and a lot of promises that cannot be kept, ending up in unnecessary disappointment all around. Exceptional performance is still the basis on which most promotions are made.

It is wise to hold down to a minimum any special development activity that cuts into the day's work and takes

time away from getting results and producing profits. The development process should be integrated with the normal conduct of the business so that they work together instead of competing for the manager's time and energy. In this way, the manager's work will be simplified, rather than complicated, by the development process.

Of course, the importance of promotion as a development factor must not be ignored; our principle does not indicate that each man should think only of his present job, for he must also be encouraged and helped in every way that will broaden him and make him capable of taking on the bigger job that may lie in store for him. At the same time, his advancement must be directly related to his performance on the present assignment. When he moves up to a higher position, he will have earned it. This approach eliminates the "replacement table" kind of setup, in which everybody is on the move all the time, or thinks he should be, and in which a lot of people are always frustrated and angry.

7. Managing is a distinct kind of work. The emergence of managing as a profession must be recognized in planning development programs and in actually appointing people to managerial positions. In every case, the company must begin by asking itself, "Does this man have the capabilities and drives to enter the profession of managing, or should he continue to progress in his present field?"

If an engineer, for example, is made a manager, his profession is changed

—from engineering to managing. But a good engineer does not necessarily make a good manager. It is of pivotal importance to judge accurately, from sensitive observation of his work, whether he has the desires and capabilities that fit a man for the profession of managing.

The Star Performer

Very often, the best engineer has been made Engineering Manager—and failed. The star salesman has been made Sales Manager—and failed. If we followed this practice in baseball, Ted Williams would be manager of the Red Sox. Sometimes, of course, the outstanding performer becomes an outstanding manager, but more often the company loses the good individual performance and gets mediocre managing—all because of its failure to realize that managing is becoming a profession, with its own professional requirements.

In planning a man's development, the first questions should be: "Is this man in the right kind of work? Is he headed in the direction that is best for him?" It is always difficult to decide about a man's future, but if the man and his boss look at it from this point of view, the chances of their making a good choice are considerably improved.

General Electric policy makes this important statement of intent:

In making the choice between manager and individual contributor positions for a man, remember that the General Electric Company owes much of its success to the fine work of individual contributors, and rewards for such work can be

and should be equal to those for managerial work.

Unfortunately, this intent has not yet been fully implemented in practice, because of the long tradition that gives special prestige to the management function. Managers have often been owners and have been able to command sizable rewards, large offices, and the like. More equitable distribution of rewards will not be possible until we find ways of identifying the work of the individual contributor and measuring its value. The compensation of managers is guided by custom and by ample published material, but there is no comparable frame of reference for deciding how much an individual contributor should be paid. But General Electric is moving in the direction of real fairness and full encouragement of the individual contributor as well as of the manager.

I myself can see many advantages to being an individual contributor. An adult does not yearn after the trappings of prestige. What he wants is fulfillment in his work. He wants a clear area of work and teamwork, and he seeks recognition primarily in his professional capacity rather than in the social hierarchy of the company. Of course, there is an element in all of us that is something less than adult. And it often happens that an individual contributor who is getting full recognition professionally is unhappy because in the social life of the company he sees men whom he believes to be his intellectual inferiors receiving certain perquisites that are denied him.

8. Decentralization of decision making

ing is a prime instrument of development. Decision-making muscle is developed only by making decisions. There are many valuable books on decision making but, as in golf, bridge, or any other skill, learning is accomplished not only with the head, but with the muscles and the intestines, and this kind of learning comes primarily from doing.

Because there is no chance to learn decision making if most of the power is concentrated among a few of the top brass, company structure is an important influence on the development process.

Discovering that many of its best executives came from small, isolated plants, one big company decided to find out why. Its investigations showed that the development of these men had been greatly stimulated by the opportunities, indeed the demands, for decision making that confronted them as they worked their way up.

Autonomy and Responsibility

When Mr. Cordiner decided to decentralize General Electric, he had this factor in mind. Decentralization gives relative autonomy to many men who otherwise would be running upstairs to get their proposals checked and having decisions handed down to them. If things went wrong, they could always say, "You told me to do it that way." They would have no responsibilities and therefore no opportunities for developing good business judgment, a prime requisite of managing.

9. The responsibility for develop-

ment belongs to the line manager. This principle is something of a departure from previous practice, so the reasons for it need to be clearly understood.

Many managers say, "My main job is to make the product and bring in the profits. I'll let my personnel man do the development work, or maybe I'll get a staff man or send the boy to a school and let them develop him."

It is impossible for the manager to delegate the development process to someone else. He can delegate the leg-work and some of the educational activities, but he has to carry the primary responsibility himself. Part of the description of his job, part of the rule against which he is measured, is serious and intensive work in helping the people who report to him to develop themselves. He must provide a favorable climate for development; he must make development plans for and with his men; he must originate opportunities and work situations that will challenge them.

Where the development activity is a separate and special program, its results are often detrimental instead of constructive. The man is appraised by someone other than his own manager, he takes special company courses and engages in other "developmental" activities, and he acquires considerable information and inspiration. This leads him to see some of the shortcomings of the organization in which he works, and he returns to the job full of ideas for improving the whole operation. In many companies, of course, such ideas are welcomed, but in many

others they meet with an apathetic or even hostile reception. If a manager is not interested in his subordinates' development and is on the defensive, they will become prey to frustration and resentment, which may lead to retrogression instead of development.

Further, as has already been pointed out, a man's development depends on the climate in which he does his daily work and particularly on his relations with his immediate superior. For this reason, too, the line manager must recognize his responsibility for helping people develop.

The Development Specialist: Guide or Crutch?

Considerable evidence indicates that it is unwise for an organization to appoint a specialist in development, for there is danger that the line managers will use his presence as an excuse for shirking their own responsibility for this function. True, many managers feel that they need an expert close at hand to help them carry out this difficult task, and the specialist can indeed be helpful. But he must not inflate his job in order to gain a sense of power, and the line managers must use him only as a source of information and guidance.

Actually, development work can be one of the most satisfying parts of a manager's job. And it can even help him get his work done—but only if he operates on an integrated, reciprocal basis rather than by giving orders and holding a whip. The man who feels he is developing through his work voluntarily performs at a much higher level

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of effectiveness than he otherwise would. This is motivation in the true sense.

10. *Development involves moral and spiritual values.* Our society's emphasis on science and mathematics makes us tend to overlook this key principle and the obligations that stem from it. But the enormous power we have gained through knowledge of the physical world is precisely what makes it essential that we consider the moral and spiritual implications of our actions. It seems absolutely necessary that we reach out and try to find some wisdom greater than our own, greater than the merely human.

Because America is a business-oriented society, and because it holds a position of international leadership, the decisions of its business managers will inevitably have a great effect upon the course of the world. The quality of these decisions, particularly those regarding people, must be high if we are

to survive the crisis that we now face.

Research Must Probe Further

In summary, then, these ten thoughts are offered as guides for those interested in the development of people. They are oversimplifications, and they are only a few facets of an extremely complex problem. In fact, I would say that one of the principal findings of our research project was that much more research must be done before we even begin to know the many factors involved in our development program. There are great gaps in our knowledge that may not be filled for generations. But the research is continuing, and we are working closely with businesses, universities, and others. We hope that in time we will have a body of solid knowledge about the development of people, which will enable all our managers to perform more effectively this task that is both their high obligation and their great opportunity.

Government-Subsidized Morale

THE cost of a hunting lodge for employees, a bathing beach, and even a Christmas party may be deducted from an employer's taxes as a reasonable and necessary expense of running a business, *Executives Tax Report* points out. Also deductible is the cost of emergency aid to employees who are injured or sustain property damage in a major disaster. In one case, a company in an area hit by a tornado set up a disaster committee and appropriated funds to help employees and their families. The payments were based on need, rather than on the kind or length of service rendered by the employee and were not available to directors or officers of the company. Ruling on the deduction, the Revenue Service decided that the payments could not be considered income but had a "direct bearing on the retention of the employer's goodwill and the morale of the employees, which in turn are essential to the successful conduct of the business."